



Meeting	Management Board	Date	27/01/2014
Agenda item	10	Time	10 Minutes
Proactive publication	Yes	Internal publication	Yes
Title	Finances		
Presenter	Daniel Benjamin		
ICO Plan aim	6. An efficient ICO well prepared for the future		
Information rights strategy aim	10. The public confident in information rights law as necessary, serving the public interest, effective in practice and properly enforced.		
Issue	The December income and expenditure report is presented for information.		
Decision	There are no decisions.		
Financial impact	There is no direct financial impact arising from this paper.		
Risks	The only issue highlighted is uncertainty over IT expenditure for the remainder of the financial year.		

Unclassified

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FINANCE REPORT

DECEMBER 2013**OVERVIEW**

Income and expenditure are proceeding satisfactorily in line with expectations.

The only significant area of concern is around ICT expenditure, which should become clearer in January 2014 once development and activity plans are prepared for the period to the year end.

The risks around collecting sufficient fee income appear to be receding.

As expected expenditure on data protection legal fees has exceeded budget, but the variance can be managed from existing resources.

INCOMEGrant-in-aid for freedom of information activities

The grant-in-aid available for drawdown over 2013-14 is £4M. This has been profiled as four quarterly tranches of £1M. £3M has been drawn-down and £1M. is anticipated for the start of January 2014.

Data Protection fees processed

Fee income for December 2013 was £195K ahead of expectations, and now exceeds the year to date forecast. Whilst fee income remains volatile it is looking much less of a risk for the final quarter of the financial year.

£000	Budget	Actual	Variance
2013 April	1,375	1,426	+51
2013 May	1,305	1,154	-151
2013 June	1,150	1,193	+43
2013 July	1,375	1,310	-65
2013 August	1,330	1,274	-56
2013 September	1,090	1,308	+218
2013 October	1,880	1,805	-75
2013 November	1,440	1,456	+16
2013 December	865	1060	+195
Year to date	11,810	11,986	+176

The fee income receipt mix is:

£000	Cheque	BACS	Direct Debit	Credit Cards	Refund
2013 April	757(53%)	108(8%)	572(40%)	0(00%)	(12)1%
2013 May	495(43%)	90(8%)	503(44%)	73(06%)	(7)1%
2013 June	346(29%)	69(6%)	486(41%)	296(25%)	(2)0%
2013 July	364(28%)	66(5%)	584(45%)	304(23%)	(7)1%
2013 August	360(28%)	50(4%)	562(44%)	308(24%)	(7)1%
2013 September	334(26%)	75(6%)	564(43%)	336(26%)	(2)1%
2013 October	642(35%)	88(5%)	664(37%)	419(23%)	(8)0%
2013 November	428(29%)	64(4%)	611(42%)	359(25%)	(6)0%
2013 December	300(28%)	48(4%)	443(42%)	274(26%)	(4)0%
Year to date	4,026(33%)	658(5%)	4,988(42%)	2,369(20%)	(55)0%

Civil Monetary Penalties

The current status of uncollected CMPs is:

	CMP	Due date	Status
ISSUED IN 2012-13			
DM Design Ltd (payment schedule agreed £2k/week)	£40,000	16Apr13	Overdue
ISSUED IN 2013-14			
We Claim You Gain Limited	£100,000	14Jul13	Under appeal
Nationwide Energy Services Limited	£125,000	14Jul13	Under appeal
First Financial (UK) Limited	£175,000	17Jan14	Not yet due

EXPENDITURE

Spending controls

The ICO is currently applying the Cabinet Office Spending Control v3.1

<https://www.gov.uk/government/publications/cabinet-office-controls-guidance-version-3-1>

In addition to these the MOJ has requested the ICO implement a number of other discretionary spend freezes, including a freeze on new advertising and marketing spending, a freeze on IS development, a freeze on small IS changes, etc.

The MOJ has given temporary exemption from GPC card expenditure on travel (the blocking form for the GPC cards has been sent), and agreed £50K financial transaction limits for ICT and Advertising and Awareness spending, and is expected to write formally to confirm this in due course.

The MOJ has asserted that the NAO may determine that expenditure being made outside of these controls may be considered 'irregular', and this will be considered by the NAO during the course of their audit, and the MOJ are working hard to resolve this situation before writing formally.

Integrating procurement unit within the Finance Department

The only progress since ET approved the paper in July 2013 has been to supply HR with draft job descriptions for evaluation.

Central Legal Solicitor has begun maternity leave. Contracts manager is currently acting up to the Central Solicitor role pending implementation of the new structure. No further actions anticipated until at least January 2014, which means that the Central Legal post will be under significant pressure and need to prioritise needs.

The temporary procurement manager post was expected to cease in December 2013, but will continue to the end of the financial year, to enable an orderly knowledge and skills transference once the new structure is finally able to be put in place.

Total staff costs

Payroll costs are running higher than anticipated mainly as a result of agency staff for notification (to help with the workloads prior to the ICE project implementation and on-going workload) and planned over-recruitment within Customer Contact.

Pay-deal from 1 July 2013 remains outstanding.

No amounts have been set aside to cover early departures.

Staffing levels	Payroll FTE	Agency FTE	Total FTE	Complement	Difference
April 2013	366.1	12.2	378.3	373.3	5.0
May 2013	366.2	14.0	380.2	373.3	6.9
June 2013	363.6	9.2	372.8	373.3	(0.5)
July 2013	361.7	17.2	378.9	373.3	5.6
August 2013	362.6	18.2	380.8	380.3	0.5
September 2013	357.1	16.2	373.3	380.3	(7.0)
October 2013	363.5	20.0	383.5	380.3	3.2
November 2013	359.9	15.0	374.9	380.3	(5.4)
December 2013	363.3	14.0	377.3	380.3	(3.0)
Average	362.7	15.1	377.8	377.2	0.6

The staff complement going forward has been increased by 4 posts in IS and 3 posts in Strategic Liaison, to 380.3.

Total estate costs

The revised rates refund has been received (net income £82K).

The costs for the Cardiff Regional Office have been paid £18K for last year, but the MOTO has yet to be formally signed. No charges have been received to date for this financial year.

An extension to the MOTO for the Scotland Regional Office past 15 August 2014 has been agreed, but no new MOTO completed at this time.

A MOTO to cover use of a room from the National Archives was signed. The annual charge is £10K, and £7K will be charged to the ICO in respect of set up costs. Budget for London accommodation was £8K per annum.

IT and telecommunications

This is the only significant area of concern at present, whilst the programme of expenditure to the end of the year is developed by the IS team.

The programme will also need to be projected for capital and revenue spending to ensure it fits the current RDEL and CDEL limits.

Obviously there is now limited time to procure capital spending and complete any projects commenced.

Banking and finance costs

The forecast has been adjusted to estimate debit and credit card commissions of £50K for 2013-14 based on current charging pattern and fee payment mix, which is averaging around £5K per month.

Staff travel and other costs

Staff travel costs are broadly in line with expectations.

Staff recruitment budget will not be sufficient to cover the anticipated £20K costs for second attempt at recruiting the new Head of People and Resources role. Any agency recruitment costs for two level E IT roles are expected to be met from the IS development budget.

HR support costs are stretched, although there looks to have been up to £5K overcharging on the payroll contract which is being investigated.

Printing, postage and office stationery

No areas of concern.

Other expenditure

Enforcement legal costs have now exceeded the budget for the year following the various appeals. All future costs incurred will need an increase to this budget. Information Rights Committee is considering whether budget can be surrendered from the DP research budget which could directly cover this. This is not expected to be a material problem.

CHANGES TO THE FORECAST

Cumulative changes to the forecast for the year to date are summarised below.

	Increase £	Decrease £
Payroll		8,000
Overtime – notification	20,000	
Business rates		81,832
ICT development	277,832	
ICT postage		50,000
ICT card charges	50,000	
Learning and development (POCA)	5,000	
Communications		213,000
Consultancy	15,012	
DP research projects		15,012
Bank charges	6,000	
Conference attendances		6,000
Library and subscriptions		3,000
Net effect	Nil	Nil

There are no suggested budget changes for this month.

MANAGEMENT REPORT: DECEMBER 2013			ALLOCATION	BUDGET	FORECAST	FORECAST	FORECAST	BUDGET	FORECAST	ACTUAL
RESOURCE DEL	£000	£	£	£	DP	FOI	Year to date	Year to date	Year to date	
Payroll - gross		10,041,788	10,033,788				7,500,000	7,500,000	7,249,474	
Payroll - NEBM		50,500	50,500				37,875	37,875	28,195	
Payroll - overtime		80,000	100,000				50,000	70,000	62,511	
Payroll - pensions		1,823,362	1,823,362				1,365,000	1,365,000	1,305,902	
Payroll - ers nic		671,899	671,899				495,000	495,000	493,287	
Agency staff		0	0				0	0	296,305	
A TOTAL STAFF COSTS	12,668	12,667,549	12,679,549	9,976,767	2,702,782	8,380,375	9,467,875	9,465,675		
Property rent		782,000	782,000				779,750	779,750	783,211	
Property rates		257,900	176,068				257,900	176,068	176,068	
Property licences		109,500	109,500				86,750	86,750	53,414	
Fuel and utilities		82,500	82,500				41,500	41,500	62,261	
Other property costs		112,153	149,153				82,000	119,000	125,770	
B TOTAL ESTATE COSTS	1,344	1,344,053	1,299,221	1,081,612	267,609	1,247,900	1,203,068	1,200,724		
Consultancy		0	15,012	15,012			0	0	15,012	
- contracted Services		2,138,000	2,138,000				1,400,000	1,400,000	1,492,252	
- GSI		120,000	120,000				90,000	90,000	69,546	
- development		0	277,832				0	200,000	235,574	
- telecoms		80,000	80,000				60,000	60,000	71,317	
- printing and postage		233,000	183,000				195,000	150,000	153,638	
IT and telecommunications		2,571,000	2,798,832	2,362,857	435,975	1,745,000	1,900,000	2,022,327		
- bank charges		36,000	42,000				20,000	42,000	41,274	
- card commissions		0	50,000				0	32,000	28,670	
Banking and finance		36,000	92,000	92,000	0	20,000	74,000	69,943		
- health and safety		25,000	25,000				18,000	22,000	23,581	
- learning and development		125,000	130,000				75,000	100,000	102,834	
- conference attendances		15,000	9,000				11,000	5,000	5,191	
- staff recruitment costs		30,000	30,000				22,500	22,500	22,562	
- HR support costs		65,000	65,000				48,750	48,750	54,484	
- travel and subsistence UK		335,000	335,000				240,000	240,000	244,733	
- travel and subsistence Overseas		48,000	48,000				36,000	36,000	35,886	
- hospitality		0	0				0	0	1,329	
Staff travel and other		643,000	642,000	539,326	102,674	451,250	474,250	480,598		
- postage		65,000	65,000				48,750	48,750	38,784	
- document destruction		15,000	10,000				11,250	7,500	4,927	
- furniture and equipment		25,000	10,000				18,000	7,500	4,450	
- general administration kitchen		50,000	50,000				37,000	37,000	34,119	
- general administration other		15,000	10,000				11,250	7,500	1,223	
- motor vehicle costs		2,000	2,000				450	450	773	
- equipment repairs and maintenance		15,000	8,000				11,250	6,000	3,639	
- stationery		40,000	35,000				30,000	25,250	21,688	
Printing, postage and office expenditure		227,000	190,000	149,200	40,800	167,950	140,950	109,608		
- communications		544,000	524,000				194,000	174,000	299,918	
- communications online		391,500	228,500				91,500	91,500	57,201	
- communications internal communication		4,500	4,500				3,000	3,000	30,547	
- communications research		160,000	130,000				40,000	40,000	63,359	
- internal audit and corporate governance		50,000	50,000				35,000	35,000	23,782	
- legal finance		10,000	10,000				0	0	0	
- legal HR		35,000	35,000				15,000	15,000	17,193	
- legal Policy FOI		158,000	158,000				105,000	105,000	89,323	
- legal Enforcement DP		50,000	50,000				35,000	50,000	62,170	
- specialist support forensics		40,000	40,000				25,000	25,000	17,701	
- National Archives		10,000	10,000				7,000	7,000	0	
- specialist support translations		5,000	5,000				3,500	3,500	4,191	
- information rights research		125,000	109,988				25,000	39,988	20,967	
- NAO audit fee		30,000	30,000				30,000	0	0	
- library and subscriptions legal		40,000	40,000				40,000	40,000	34,258	
- library and subscriptions Wiltshire		15,000	15,000				11,250	11,250	7,071	
- library and subscriptions regional offices		4,500	1,500				3,500	1,000	1,324	
- professional memberships		10,000	13,000				10,000	13,000	13,547	
Other expenditure		1,682,500	1,454,488	1,102,486	352,002	673,750	654,238	742,552		
Loss on disposal of Non-Current assets		0	0				0	0	0	
C TOTAL OTHER COSTS	5,199	5,199,500	5,192,332	4,260,881	981,451	3,057,950	3,243,488	3,450,035		
D PROVISIONS - UTILISED IN YEAR	8	8,000	8,000			6,000	6,000	5,486		
E GROSS FISCAL DEL (A+B+C+D)	19,179	19,179,102	19,179,102	15,269,260	3,901,842	13,759,725	13,920,381	14,081,870		
Fee income	(16,029)	(16,029,102)	(16,029,102)			(11,810,000)	(11,810,000)	(11,986,172)		
CFERSs allowable as operating income										
Other income										
F TOTAL INCOME	(16,029)	(16,029,102)	(16,029,102)	(16,029,102)	0	(11,810,000)	(11,810,000)	(11,986,172)		
G NET FISCAL DEL (E+F)	3,150	3,150,000	3,150,000			1,949,725	2,110,381	2,105,698		
Depreciation	1,063	1,063,000	1,063,000			763,000	763,000	763,000		
Other non-cash										
H TOTAL NON-CASH COSTS	1,063	1,063,000	1,063,000			763,000	763,000	763,000		
I TOTAL RESOURCE DEL (G+H)	4,213	4,213,000	4,213,000			2,712,725	2,873,381	2,868,698		
RESOURCE AVE										
Provision - increase/decrease										
Provisions - utilised in year	(8)	(8,000)	(8,000)			(6,000)	(6,000)	(5,486)		
Diminution of Fixed and Intangible assets										
J NET RESOURCE AVE	(8)	(8,000)	(8,000)			(6,000)	(6,000)	(5,486)		
CAPITAL DEL										
Tangible additions										
Tangible disposals										
Intangible additions	850	850,000	850,000	675,000	75,000	100,000	400,000	198,340		
Intangible disposals										
K NET CAPITAL DEL	850	850,000	850,000	675,000	75,000	100,000	400,000	198,340		
TOTAL CASH (G+K)	4,000	4,000,000	4,000,000	15,944,260	3,976,842					
Fees Grant-in-aid										